

HAP Happenings

SECTION 8

WHAT'S NEW?



HPD Has a New Commissioner

In February 2009, Mayor Michael R. Bloomberg named Rafael E. Cestero to serve as Commissioner of the Department of Housing Preservation and Development (HPD). Commissioner Cestero replaced Shaun Donovan, who was chosen by President Obama to be Secretary of the U.S. Department of Housing and Urban Development.

Cestero joins us from Enterprise Community Partners, where he served as Senior Vice President and Chief Program Officer overseeing the organization's national programs related to housing production, income targeting and quality of life measures. Before rejoining Enterprise, he played a central role at HPD as Deputy Commissioner, managing the Department's Office of Development from 2004 to 2007. At HPD, Cestero helped develop the City's \$7.5 billion New Housing Marketplace Plan and employed innovative tools to create affordable housing, including inclusionary zoning. He also helped establish the NYC Acquisition Fund, which makes it easier for developers to create affordable housing by providing them with faster access to equity and predevelopment capital. Commissioner Cestero earned a Master of Urban Planning degree with a specialization in community development from the University of Illinois at Urbana-Champaign and a Bachelor of Sciences degree from Cornell University.

Reasonable Rent Requirements

HPD would like to remind landlords about federal policies regarding reasonable rent in the Section 8 program. As you may know, the Department of Housing and Urban Development (HUD) requires HPD to ensure that rents charged by owners to Section 8 participants are "reasonable." HUD defines reasonable rent as "a rent to owner that is **not more** than rent charged: (1) for comparable units in the private unassisted market; and (2) for comparable unassisted units in the premises." This provision is further underscored in the HAP contract itself, Part B, Section 6.d. as follows, "During the HAP contract term, the rent to owner may not exceed

rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA any information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere."

Before approving any initial rent or subsequent rent increase, HPD will compare rents being proposed for Section 8-assisted units to comparable non-assisted "market rate" units on and/or off the premises. To aid our analysis, HPD may request detailed information on apartment condition, location, amenities, renovations, and rental incentives offered.

Please remember that during the initial term of the lease, the landlord may not raise the rent. Furthermore, the contract rent must be reasonable during the whole course of the assisted tenancy in the voucher program. HPD is required to reassess rent reasonability at every rent increase, when directed by HUD, when the FMR decreases by 5% or more, or at any other time HPD deems necessary.

Rent Comparability Software

In an ongoing effort to improve the accuracy and efficiency of rent reasonableness determinations, HPD recently obtained the web-based tool, GOSection8. GOSection8 gathers, organizes and maintains a database of market-based comparable apartments within HPD's jurisdiction. NYCHA and DHCR are also users of the system, enriching the pool and improving the consistency of rent reasonability data that each PHA relies upon for rent analysis.



In addition to providing a rent comparables service, GOSection8 also offers free rental listing services for landlords and prospective Section 8 tenants. Landlords can log into GOSection8.com and list information on vacant apartments, which can then be accessed online and/or distributed by HPD to apartment seekers when

they receive a voucher. When listing their apartments online, landlords can also input comparable units and GoSection8 will provide an estimated "reasonable rent."

How Do I Request a Rent Increase?

For HPD to approve a rent increase, landlords must submit a Rent Increase Request Form—available online at www.hpd.nyc.gov/section8—along with details of the request and certification that the Section 8 rent requested is not higher than that charged for non-subsidized comparable units on the premises. Requests must be received at least 60 days before the effective date of the lease and new rent. Remember, rent increase requests submitted fewer than 60



days prior to the increase will not be eligible for retroactive payments. Per federal regulations, landlords may not charge tenants for the difference in the amount.

Depending on the type of unit, landlords will need to submit additional information in order to complete the rent increase request process. For example, government regulated units (Rent Stabilized, Mitchell-Lama, Section 236, LIHTC, etc.) should include approved rent orders, issued by the appropriate supervising agency. Co-ops should include a copy of the minutes and/or resolution from the board meeting where the increase was adopted.

For assistance preparing your rent increase request, you can contact the Client & Owner Services Unit directly by calling (917) 286-4300 and selecting the Owner and Rent Increase options when prompted.

Window Guards & Tamper Resistant Screws

Did you know that having window guards installed in every window is mandatory if there are children 10-years-old or younger living in an apartment? In fact, having no window guards when children are present is cause for an emergency Housing Quality Standards (HQS) failure. If an emergency failure is not corrected within 24 hours, a loss in subsidy may result.

If children 10-years-old and under are present, make sure that window guards are installed and remain in place. Once installed, to ensure that window guards remain in place and cannot be removed, HPD inspection standards require the use of tamper resistant screws which prevent removal with normal screw drivers. Below are examples of common tamper proof screws available at most hardware stores:

1. Pin-Head
2. Snake Eyes Spanner
3. Phillips Pin-Head



Section 8 Housing Scam

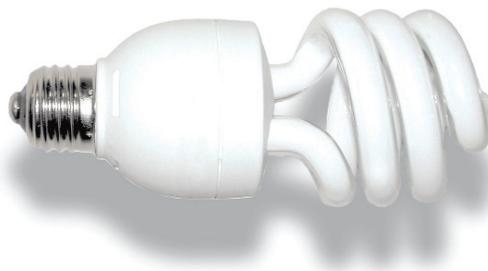
A recent arrest of Josie Almonte, 32, has unveiled a Section 8 housing scam affecting at least 18 Manhattan and Bronx Section 8 voucher holders. Ms. Almonte portrays herself as a real-estate representative who works for MLS Realty Company/ Empire Home Sales in Jamaica NY. She claims that she is able to assist constituents obtain vouchers from NYCHA and HPD as well as locate apartments for varied fees. Constituents are asked to give her upwards of \$3,000 dollars to cover realtor fees and security deposits in exchange for an “affordable luxury rental” that takes NYCHA and HPD Section 8. Ms. Almonte claims to be

Cost-Saving, Go Green Tips

There are simple ways you can help your tenant save energy and water. Not only are these practices eco-friendly, but they can lead to significant savings on your utility bills.

1. Install Low Flush Toilets—Most standard toilets need over 1.6 gallons of water per flush, older models need 5 gallons! Update your bathroom with a Low Flush Toilet which, on average, needs only one pint of water per flush. You’ll be saving gallons of water per day and preserving a precious resource.

2. Install a Low Flow Showerhead—An average showerhead delivers 5-8 gallons of water per minute. A Low Flow Showerhead (which costs as little as \$10) uses only 2.5 gallons of water per minute. The quality of the shower remains the same but less water is used.



3. Switch to Compact Fluorescent Light (CFL) Bulbs—Not only do CFL bulbs use less energy, but they last longer. They offer up to 10,000 hours of light, about 15 times longer than a standard incandescent bulb. CFLs help you save money by lowering your utility bill and reducing the number of light bulbs you purchase over time.

Direct Deposit of Housing Assistance Payments

The Department of Finance strongly encourages landlords to receive their Housing Assistance Payments (HAP) by Direct Deposit. If you are interested in this option, you can sign up online at the Department of Finance website at https://www.nyc.gov/html/dof/html/contact/contact_app_emailach.shtml.

You can also obtain an application form from HPD at **100 Gold Street, Room 1-O**.

Ask Us

You’ve got questions? We’ve got answers! If you have a question regarding Section 8 please submit it to (s8landlord@hpd.nyc.gov). You just might see your question in the next edition of *HAP Happenings*.

working with the knowledge of landlords and has gained access to empty apartments. HPD, NYCHA, the Bronx and Manhattan Borough Presidents’ and District Attorney’s offices have met to discuss strategies for warning tenants against housing scams. As landlord participants in the Section 8 program, we appreciate your vigilance and cooperation in informing HPD of any illegal activity related to the Section 8 voucher program. To report suspected fraudulent activities within the Section 8 program, please contact NYC’s Department of Investigations at (212) 825-5900.